



NEBRASKA DEPARTMENT OF INSURANCE **INSURANCE FRAUD PREVENTION DIVISION**

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2003 - Insurance Fraud Statistics

Source: Information compiled from the Nebraska Insurance Information Management System.

2003 Statistics

The IFPD received a total of **424 referrals** during 2003.

During 2003, a total of **18 investigative summary reports** were referred to a county attorney for prosecution.

A total of **108 referrals** were reviewed and/or investigated and subsequently **closed due to insufficient evidence** to prosecute under the Nebraska Insurance Fraud Act. The referral looked suspicious, but after reviewing and/or investigating the complaint, the requisite evidence was lacking to prosecute under the Insurance Fraud Act.

Allegations of insurance fraud were **unfounded in 15 referrals**.

During 2003, **31 convictions** occurred on referrals submitted by the IFPD for prosecution.

Insurance fraud case referrals were reported from 42 Nebraska counties. Douglas, Sarpy, and Lancaster Counties account for 49% of our referrals and the balance, 51%, were located in greater Nebraska.

- Property and casualty fraud accounted for 59% of the IFPD referrals.
- Internal and agent fraud accounted for 32% of the IFPD referrals.
- Life and health fraud accounted for 9% of the IFPD referrals.

Not all of the referrals identified a dollar amount of fraud. The cases that did report an estimated dollar amount of fraud totaled over **\$3.4 million dollars** of actual and potential losses.

Insurance Fraud Categories

The IFPD classifies insurance fraud into 15 general types of fraud. The general categories also have sub-categories.

Fraud Category	Insurance Type	Cases	Reported Losses (Actual/Potential)
Agent	<i>Internal</i>	64	602,057.54
Arson	<i>Property/Casualty</i>	7	1,578,851.70

Auto Bodily Injury	<i>Property/Casualty</i>	42	107,900.66
Auto Property	<i>Property/Casualty</i>	103	214,631.26
Commercial Auto	<i>Property/Casualty</i>	10	1,941.31
Commercial Property	<i>Property/Casualty</i>	3	36,057.22
Credit	<i>Property/Casualty</i>	11	32,813.36
General Liability	<i>Property/Casualty</i>	10	70,000.00
Homeowner	<i>Property/Casualty</i>	42	392,626.03
Internal	<i>Internal</i>	2	39,983.00
Life	<i>Life/Health</i>	8	110,578.24
Medical/Health	<i>Life/Health</i>	18	85,014.85
Other	<i>Unknown</i>	2	2,225.00
Title	<i>Internal</i>	68	58,980.91
Workers' Compensation	<i>Property/Casualty</i>	34	75,052.62
Total		424	\$3,408,713.70

During 2003, the IFPD investigated the following types of fraud cases:

- **Agent Fraud** – conversion; faked policies, certificates, cards, or binders; falsified/forged documents; pocketing premiums.
 - **Arson/Suspicious Fire** – commercial and home/residential.
 - **Automobile Bodily Injury** – fake injuries; false documents; inflated injuries; jump-ins; and staged accidents.
 - **Auto Property** – body shop fraud; fake damages; forged/fake/altered insurance cards; forged/falsified documents; glass; inflated damages; past posting; prior damage; property theft from vehicle; vehicle arson; vehicle theft; and vehicle vandalism.
 - **Commercial Auto and Commercial Property.**
 - **Credit** - disability.
 - **General Liability** – forged/falsified document and slip & fall.
 - **Homeowner** - faked loss of personal property; faked/exaggerated injury; forged/falsified documents; inflated claim; phony burglary, theft and vandalism claims.
 - **Internal Fraud** – forged/falsified documents.
 - **Life** - forged policy.
 - **Medical/Health** - billing/coding; disability; forged/false documents; inflated billing coding; pharmacy; unnecessary treatment.
 - **Title Insurance.**
 - **Workers' Compensation** - claimants working while collecting disability benefits (double-dipping); fake injuries; injury unrelated to work; malingering; and prior injuries.
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